



BlueCross BlueShield of Texas



2023 Producer Bonus Programs

Offered by Blue Cross and Blue Shield of Texas

Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation,
a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association

Producer Bonus Programs

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The Blue Ribbon for Producers Bonus Program

At Blue Cross and Blue Shield of Texas (BCBSTX), expanding access to quality, affordable care has always been our top goal.

For over 90 years, we’ve delivered on that goal by staying customer-focused and providing reliable, innovative and affordable health care options. Your hard work and dedication have been a vital part of our success. Now, we want you to reap the rewards of your success through the Blue Ribbon for Producers Bonus Program.

Program features:

- Rewards for selling or renewing group medical benefit plans.
- Recognition for selling or renewing pharmacy lines of business alongside medical coverage.

If you’re appointed and contracted with BCBSTX, you are eligible to participate in the Blue Ribbon for Producers Bonus program.

Includes pharmacy coverage written through Prime Therapeutics. Prime Therapeutics, LLC. Prime Therapeutics, LLC is a separate company and is the pharmacy benefit manager for Blue Cross and Blue Shield of Texas.

The Blue Ribbon for Producers Bonus Program

New Group Medical Benefit Plan Sales

How It Works

To earn a bonus, you must renew at least three group accounts and 300 medical coverage contracts as of December 31 of the prior plan year.

New sales production is based solely on group business sold with effective dates between January 1 and December 31 of the current plan year, as shown in the chart below. A contract refers to coverage of an employee.

The following will not be considered new business for the purposes of this bonus program:

- Acquisition or addition of new enrollees to an account that was effective prior to January 1 of the current plan year (the Bonus Program for Group Medical Benefit Plan Renewals may apply).
- An existing BCBSTX account for which you are the takeover producer.
- Life, long-term disability, short-term disability, group dental or individual medical or dental contracts.

New Group Sales Bonus Schedule

Bonus Per New Contract				
Tier	Contracts	Fully Insured Medical	Self-Insured Medical Sold with Pharmacy	Self-Insured Medical Only
1	(1-250)	\$10	\$8	\$7
2	Next 250 (251-500)	\$25	\$18	\$12
3	Next 250 (501-750)	\$35	\$28	\$17
4	Next 250 (751-1000)	\$45	\$38	\$20
5	Additional Contracts (1,001+)	\$55	\$48	\$25
	Maximum Bonus per New Sold Account	\$50,000	\$35,000	\$25,000



CONTACT YOUR BCBSTX SALES EXECUTIVE WITH QUESTIONS ABOUT THE PROGRAM.

The Blue Ribbon for Producers

Bonus Program (continued)

New Group Medical Benefit Plan Sales



Sales Bonus Example

An agency has a 300-contract book of business as of December 31 of the prior year. During the current plan year, the agency's sold-contract count totals 921 contracts with the first 100 contracts consisting of fully insured medical contracts, the next 300 contracts consisting of self-insured medical only contracts, and the last 521 contracts consisting of self-insured medical contracts sold with pharmacy. The new sales medical bonus will be calculated as follows:

Tier 1	Fully Insured Medical Contracts 1-100 at \$10 each
	100 x \$10 = \$1,000
+Tier 1	Self-Insured Medical Only Contracts 101-250 at \$7 each
	150 x \$7 = \$1,050
+Tier 2	Self-Insured Medical Only Contracts 251-400 at \$12 each
	150 x \$12 = \$1,800
+Tier 2	Self-Insured Medical Sold with Pharmacy Contracts 401-500 at \$18 each
	100 x \$18 = \$1,800
+Tier 3	Self-Insured Medical Sold with Pharmacy Contracts 501-750 at \$28 each
	250 x \$28 = \$7,000
+Tier 4	Self-Insured Medical Sold with Pharmacy 751-921 Contracts at \$38 each
	171 x \$38 = \$6,498

The total medical new sales bonus is **\$19,148**

When you sell new medical contracts, your sold-contract count as of December 31 of the current plan year will be used for your bonus calculation. Earn higher rewards by adding pharmacy to new medical coverage.

- To be eligible to earn a new sales AND/OR renewal bonus, you must maintain at least three medical accounts and 300 medical contracts as of December 31 of the prior plan year.
- Medical new business bonus results will be calculated cumulatively by effective date and then by account number. Medical new business includes new fully insured contracts, self-insured medical contracts with pharmacy and self-insured medical only contracts.
- All contracts sold during the current plan year that remain in your book of business as of December 31 of the same plan year will be used to calculate the bonus.
- In the event of split commissions on any accounts, the same split ratio is applied to each producer's group medical contracts.
- Only new group medical contracts with effective dates during the current plan year will be included for calculating the new business bonus.
- If a new account cancels with BCBSTX or changes to another producer within the current plan year, the account will not be included in the calculation of your new business bonus, as it will not be included in your sold-contract count as of December 31 of the current plan year.

Blue Ribbon for Producers Bonus Program

Group Medical Benefit Plan Renewals

How It Works

To be eligible to earn a new sales and/or renewal bonus, you must maintain at least three medical accounts and 300 medical contracts as of December 31 of the prior plan year.

- Renewal is defined as renewing an account for 12 months during the period of December 31 of the prior plan year through December 31 of the current plan year.
 - Qualifying accounts must be in your book of business December 31 of the prior plan year and on December 31 of the current plan year. The monthly premium from the current plan year anniversary date must be paid and allocated.
 - The renewal percentage for the Small Group market segment will be calculated separately from the renewal percentage for the Large Group market segment.
 - The renewal percentage for the Small Group market segment will be determined by removing any canceled accounts from your total Small Group contract count on December 31 of the prior plan year. This new contract total will then be divided by your original Small Group total contract count as of December 31 of the prior plan year. The renewal percentage for Large Group will be calculated in the same manner.
 - Market segment determination will be based on the account's servicing platform in the prior plan year.
 - The cancellation of a single account will not affect the total renewal percentage by more than 10 percent.
 - If commissions are split on any accounts, the same split ratio is applied to each producer's medical contracts.
- bonus purposes. However, it will not qualify for a renewal bonus because it will not be in the original producer's book of business on December 31 of the current plan year.
- If you are the takeover producer of an existing BCBSTX account during the current plan year, that account will not be included for renewal bonus purposes, as it would not have been in your book of business as of December 31 of the prior plan year.

Account Cancellations

- If an account that was in effect on December 31 of the prior plan year cancels coverage during the current plan year, the contract count removed for purposes of calculating the bonus will be the number of group medical contracts associated with the account on December 31 of the prior plan year.

Producer Changes

- If an existing account changes to another producer during the current plan year, the account will not be considered a cancellation in the calculation of the percent minimum requirement for renewal percentage



Blue Ribbon for Producers

Bonus Program (continued)

Group Medical Benefit Plan Renewal

The following will not be considered renewed accounts for the purposes of this program:

- Accounts with an anniversary date premium not paid and allocated when the renewal bonus is calculated.
- New account contracts with effective dates within the current plan year.
- Life, long-term disability, short-term disability, group dental or individual medical or dental contracts.

Small Group Market Segment¹: Accounts with up to 150 Employees

Bonus Per Renewed Contract	
Renewal %	Fully Insured and Self-Insured Medical
90% or greater	\$12
82% to 89.99%	\$9
Less than 82%	\$0

Large Group Market Segment¹: Accounts with 151 or More Employees

Bonus Per Renewed Contract			
Renewal %	Fully Insured Medical	Self-Insured Medical Renewed with Pharmacy*	Self-Insured Medical Only
95% or greater	\$12	\$8	\$6
90% to 94.99%	\$9	\$6	\$5
Less than 90%	\$0	\$0	\$0
Maximum Bonus per Renewed Account	\$35,000	\$20,000	\$10,000

1. Market segment determination will be based on the account's servicing platform in the prior plan year.

*Includes pharmacy coverage written through Prime Therapeutics. Prime Therapeutics, LLC. Prime Therapeutics, LLC is a separate company and is the pharmacy benefit manager for Blue Cross and Blue Shield of Texas.



Blue Ribbon for Producers Bonus Program

Compensation Policies

Definition of Producer

For purposes of the Blue Ribbon for Producers Bonus Program, a producer is defined as an agent/broker, agency or consultant operating under a unique tax identification (ID) number.

Definitions of Plan Year, Current Plan Year and Prior Plan Year

Plan Year means the calendar year beginning on January 1 and ending on December 31. **Current Plan Year** means the plan year during which the producer bonus is determined. **Prior Plan Year** means the year immediately preceding the Current Plan Year.

Agent/Producer

The Texas Insurance Code prohibits an agent who receives compensation from a customer for the placement or renewal of an insurance product from receiving compensation from BCBSTX for the same placement or renewal, unless the agent:

- Provides advance written disclosure to the customer describing the method and factors used by BCBSTX to compute the compensation, and
- Receives documented acknowledgment from the customer that the agent will receive the compensation.

Agent and Life and Health Insurance Counselor (LHIC)

The Texas Insurance Code prohibits a person who is licensed as both an agent and an LHIC from receiving compensation from BCBSTX for a service performed as an agent if the person has received or will receive compensation from the customer for that same service.

Reporting

All payments made pursuant to bonus and recognition programs are subject to federal and state income tax reporting and withholding by BCBSTX (if applicable).

BCBSTX will report to an Employee Retirement Income Security Act (ERISA) plan the value of all remuneration paid by BCBSTX to a producer representing an ERISA plan with 100 or more participants to include in its preparation of ERISA Form 5500 schedules. Reporting will also be provided upon request by non-ERISA plans or plans with fewer than 100 participants.

BCBSTX encourages you to inform your customers about the compensation you receive.

BCBSTX reserves the right to discontinue or change this bonus program at any time without notice. Producers must be appointed and contracted with BCBSTX to participate. BCBSTX internal records will determine final qualification and payment of bonus awards.



**BCBSTX APPRECIATES THE ESSENTIAL ROLE THAT YOU PLAY IN OUR SUCCESS,
AND WE LOOK FORWARD TO GROWING OUR BUSINESSES TOGETHER.**

2023 Stop Loss Producer Incentive Program



BCBSTX wants to reward you for the Stop Loss business you place with our organization.

We highly value our business relationship with you and want to recognize Producers who appreciate and understand the advantages of placing Stop Loss coverage with us.

Our Stop Loss Producer Incentive Program provides a reward to qualifying Producers based on two factors:

1. Stop Loss Premium across our plans in Illinois, Montana, New Mexico, Oklahoma and Texas ("Divisions") and
2. Case Count Growth by individual Division.

This Incentive is in addition to regular commissions and any other BCBSTX bonus programs, unless otherwise stated in the Terms and Conditions.

2023 Stop Loss Producer Incentive Program

Program Structure

1. Override Percentage

The Override Percentage is based on Stop Loss Premium, which is outlined in the chart to the right. Tiers are qualified at the Producer House Level across our Divisions. Producer House Level is defined as all legal corporate entities that roll up to a parent organization. A minimum of \$5,000,000 of Stop Loss Premium or 10 Stop Loss cases are needed to qualify for an Incentive.

Tier	Stop Loss Premium	Override %
Tier 1	\$5,000,000-\$10,999,999 or 10 cases	0.50%
Tier 2	\$11,000,000-\$20,999,999	1%
Tier 3	\$21,000,000-\$30,999,999	2%
Tier 4	\$31,000,000-\$50,999,999	3%
Tier 5	\$51,000,000+	4%

Example: If a Producer has \$25M of Stop Loss Premium, they would qualify for a 2% override.

2. Override Percentage Multiplier

Case Count Growth is measured by individual Division and impacts the ultimate Incentive received in that Division. Case Count Growth is determined by dividing case count measured as of 12/31/2023 by case count measured as of 12/31/2022. The Override Percentage Multiplier is based on the calculated Case Count Growth, which is outlined in the chart to the right.

Case Count Growth	Override % Multiplier
<85%	0%
85% - 94.99%	75%
95% - 109.99%	100%
≥110%	125%

Example: If a Producer has a case count of 29 cases on 12/31/2023 and a case count of 24 cases on 12/31/2022 with BCBSTX that would equate to a Case Count Growth of 120.83% and they would qualify for the 125% Override Percentage Multiplier in Texas.

3. Incentive Calculation

The Incentive is calculated by taking each Division's (a) Stop Loss Premium multiplied by the (b) Override Percentage qualified for at the Producer House Level multiplied by the (c) Override Percentage Multiplier based on Case Count Growth at the individual Division. See example to the right.

Example: Producer Incentive Calculation	
(a) Stop Loss Premium: \$25M	
(b) Override Percentage: 2%	
(c) Override % Multiplier: 125%	
Multiply (a) by (b) by (c)	\$25M x 2% x 125%
Incentive:	\$625,000



2023 Stop Loss Producer Incentive Program

Program Guidelines

- The program will run on a calendar year basis and is effective starting 1/1/2023 and ending on 12/31/2023.
- Stop Loss Premium (or case count for Tier 1 only) will be measured at the close of the calendar year (12/31/2023) to determine the eligible Override Percentage.
- Beginning case count will be measured as of 12/31/2022 and ending case count will be measured as of 12/31/2023 to determine Case Count Growth.
- The maximum Incentive payout (Incentive Cap) under this program is \$3M total to any single Producer and applies at the Producer House Level.
- If the Incentive at the Producer House Level exceeds the \$3M Incentive Cap, a weighting methodology will be used to calculate each Division's Incentive as a percent of the total Incentive and proportionally applied to the \$3M Incentive Cap.
- Payment will be made to qualifying Producers in the second quarter of 2024.
- Producers who have other negotiated arrangements for Stop Loss bonus programs are not eligible for this Stop Loss Producer Incentive Program.
- Receipt of an Incentive under this program in one year does not guarantee receipt of an Incentive under this program in future years.

Definitions

- **Producer House Level** is defined as all legal corporate entities that roll up to a parent organization.
- **Case** is defined as a single account determined by account number.
- **Case Count Growth** is defined as ending case count measured as of 12/31/2023 divided by beginning case count measured as of 12/31/2022.
- **Division** is defined as the Blue Cross and Blue Shield state by which a client's Stop Loss coverage is provided (Illinois, Montana, New Mexico, Oklahoma or Texas). Division is not determined by where the Producer or client is physically located or headquartered.
- **Incentive** is defined as the reward paid to qualifying Producers under this program.
- **Stop Loss Premium** is defined as actual Specific Stop Loss Premium received across our plans in Illinois, Montana, New Mexico, Oklahoma and Texas, including commissions (as applicable) and taxes.

Terms and Conditions

- The Stop Loss Producer Incentive Program is voluntary and is available to all BCBSTX appointed Producers who achieve certain performance benchmarks.
- All Incentives will be reported as required by state and federal regulation. Special rules may apply to certain governmental groups.
- All terms and conditions of the BCBSTX Producer Agreement apply, and in the event of a conflict between this brochure and the Producer Agreement, the Producer Agreement will prevail.
- The Stop Loss Producer Incentive Program is subject to change or cancellation without notice at the sole discretion of BCBSTX.
- Only Stop Loss coverage placed with our plans in Illinois, Montana, New Mexico, Oklahoma and Texas is eligible to be included under this program.
- Application of this Stop Loss Producer Incentive Program and determination of eligibility and Incentives, if any, will be made by BCBSTX at its sole discretion. All decisions are final.



This section describes our Stop Loss Producer Incentive Program effective 1/1/2023 to 12/31/2023. The program is subject to evolution/change and may require additional qualifying performance metrics be met in order to be eligible. **For more information, please contact your BCBSTX Representative.**

Ancillary Broker Bonus Program

from Blue Cross and Blue Shield of Texas (BCBSTX) for producers residing in Texas.

Qualifying Group Benefits Product Lines of Coverage (on groups with 10 or more insured lives/contracts)

Life and Disability Product Lines

Employer-Paid Products		Voluntary Products	
Life/AD&D	Critical Illness	Short-Term Disability	Critical Illness Plans
Group Short-Term Disability Insured and ASO plans	Vision Care	Long-Term Disability	Vision Care
	Stand Alone AD&D	Life/AD&D	Stand Alone AD&D
Group Long-Term Disability	Accident Indemnity	Supplemental Life/AD&D	Accident Indemnity
Hospital Indemnity ¹		Hospital Indemnity ¹	

Dental Products

BlueCare Dental SM - Insured	BlueCare Dental - ASO
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- All group Life, STD, LTD, Vision, Accident and Critical Illness, and all BlueCare Dental coverages are eligible for compensation as described within this document.
- ASO STD and ASO Dental fees (as determined by Us) will be used to qualify for number of lines sold and Estimated New Annualized Premium qualification levels, but will not be used in calculating the actual bonus payout. However, ASO Dental cases will be paid out on a per contract basis, as specified in the chart.

Ancillary Group Benefits New Business Bonus Schedule and Qualifying Requirements

Option A: Line Count and Premium Qualifier

Estimated New Annualized Premium		# of Qualifying Lines Sold (on groups with 10 or more insured lives)	New Business Bonus	ASO Dental (per contract)
\$0 – \$99,999	and	10	No Bonus	No Bonus
\$100,000 – \$149,999	and	10	1.0%	\$2.00
\$150,000 – \$199,999	and	15	2.0%	\$2.00
\$200,000 – \$249,999	and	15	3.0%	\$2.00
\$250,000 – \$299,999	and	15	4.0%	\$2.00
\$300,000+	and	15	5.0%	\$2.00

Option B: Case Count and Premium Qualifier

Estimated New Annualized Premium		# of Groups Sold (on groups with 10 or more insured lives)	New Business Bonus
\$0 – \$999,999	and	2	No Bonus
\$1,000,000+	and	2	2.0%

- A broker can qualify for a New Business Bonus under Option A or B, but not both.
- Qualifying lines are for groups with 10 or more insured lives/contracts. Groups with 2-9 lives/contracts do not count toward the New Business Bonus.
- ASO dental coverages will be paid out on a per contract basis.
- Under Option A, if number of Qualifying Lines Sold is between 10-14, regardless of Estimated New Annualized Premium, the New Business Bonus payout will be 1%.

Ancillary Group Benefits Renewal Persistency Bonus Schedule

Renewal Persistency Bonus Schedule: In order to qualify, a broker must (1) qualify for the New Business bonus described above; and (2) have at least \$100,000 of Current Plan Year Renewal Premium

Persistency Rate	Bonus Amount (% of Annual Renewal Premium) ²					ASO Dental (per contract)
	First \$50,000	Next \$25,000	Next \$25,000	Next \$100,000	Remaining	
95%+	7%	6%	5%	3%	1%	\$2.00
92 – 94.9%	6%	5%	4%	2%	1%	\$2.00
88 – 91.9%	5%	4%	3%	1%	0.5%	\$2.00
84 – 87.9%	4%	3%	2%	1%	0.5%	\$2.00

¹Based on product availability. ²This Annual Persistency Bonus is determined by applying the percent applicable above to the Annual Renewal Premium of the applicable cases. Fees for ASO STD and ASO Dental cases count in the persistency rate calculation, but do not count in the persistency bonus payout calculation. However, ASO Dental cases will be paid out on a per contract basis, as specified in the above chart, if broker qualifies for a Renewal Persistency Bonus.

Life, Disability, Critical Illness, Accident, Hospital Indemnity and Vision products are issued by Dearborn Life Insurance Company, 701 E. 22nd St. Suite 300, Lombard, IL 60148. Blue Cross and Blue Shield of Texas is the trade name of Dearborn Life Insurance Company, an independent licensee of the Blue Cross and Blue Shield Association. BLUE CROSS®, BLUE SHIELD® and the Cross and Shield Symbols are registered service marks of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans.

Medical, Pharmacy, and Dental products are offered by Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association.

Terms & Conditions

This program only applies to business, coverages or policies issued by Us for qualifying lines of insurance beginning on the starting plan year.

- **New Employer Group(s)** shall mean an employer group having at least 10 lives/contracts insured with an effective date in the Current Plan Year. To qualify as a New Employer Group, group must be in force for 12 months or must be in force at the time bonus is calculated. New Employer Groups effective 1/1 with a term date of 12/31 of the Current Plan Year will qualify as a group in force for 12 months.
- **New Line of Coverage(s)** have the same terms and conditions as a New Employer Group except the coverage is being added to an In-Force Employer Group.
- **Estimated New Annualized Premium** shall mean the first-year annualized premium for New Employer Group(s) & New Lines of Coverage(s) that are effective during the Current Plan Year. It will be used to determine qualification levels for the New Business Bonus.
- **Qualifying New Annualized Premium** shall mean the premium that is qualified and used for the actual calculation of the New Business Bonus as determined by all stated terms and conditions. For any dental New Employer Group(s) or New Lines of Coverage(s), this premium will be 75% of the Estimated New Annualized Premium. For any life and disability New Employer Group(s) or New Lines of Coverage(s), this premium will be 100% of the Estimated New Annualized Premium.
- For New Business Bonus Option B, an In-Force Employer Group will not be counted as a New Employer Group, even if an additional qualifying New Line of Coverage was sold.
- For the New Business Bonus, a broker can only qualify for Option A or Option B. Option B will only be used if the broker does not qualify for Option A.
- **In-Force Employer Group** shall mean an Employer Group having at least two employees (lives/ contracts) insured with an effective date on or before 12/31 of the Prior Plan Year.
- **Persistency Rate** is determined by dividing the Current Plan Year Renewal Premium by the Prior Plan Year Renewal Premium.
 - 1/1 effective groups terminating on 12/31 of the Current Plan Year will count toward a broker's persistency rate.
 - 1/1 effective groups terminating on 12/31 of the Prior Plan Year will count against a broker's persistency bonus.
- **Current Plan Year Renewal Premium** – If the In-Force Employer Group remains active as of the Current Plan Year, the premium will equal the Prior Plan Year Renewal Premium figure. If the group has a termination date on or before 12/30 of the Current Plan Year, then the Current Plan Year Renewal Premium is zero.
- **Prior Plan Year Renewal Premium** shall mean the estimated annualized premium per In-Force Employer Group. It is calculated using modal premiums that have been applied and are associated with the Prior Plan Year.
- **Qualifying Renewal Annualized Premium** is the non-first year premium that is qualified in use for the actual calculation of the Renewal Persistency Bonus as determined by all stated terms and conditions. It is only applicable for those brokers who qualify for the Renewal Persistency Bonus. For any dental In-Force Employer Groups, this premium will be 75% of the Current Plan Year Renewal Premium. For any life and disability In-Force Employer Groups, this premium will be 100% of the Current Plan Year Renewal Premium.
- For both New Employer Groups and In-Force Employer Groups, for any single Employer Group, the maximum eligible premium (cap) for the life and disability product lines is \$250,000 for bonus calculation purposes; for dental product lines, it is \$500,000; however, for both the life and disability and dental lines, the full estimated annualized premium (prior to cap or premium adjustment) will be used to determine New Business Bonus qualification levels and Persistency Rate.

Example: If the below group had the following lines of coverage with Us, the total estimated annualized premium would be \$1,105,000 and the qualifying annualized premium would be \$750,000, as outlined below.

Life and Disability Product Lines	Estimated Annualized Premium	Dental Products	Estimated Annualized Premium
Life	\$150,000	Insured Dental	\$800,000
LTD	\$150,000		
ASO STD Fees	\$5,000		
Total Estimated Annualized Premium	\$305,000		\$800,000
Total Qualifying Annualized Premium	\$250,000		\$500,000

- **Plan Year** shall mean a calendar year. It begins on 1/1 and ends on 12/31 of that calendar year.
- **Current Plan Year** shall mean the Plan Year for which a particular Broker Bonus is being determined.
- **Prior Plan Year** shall mean the year previous to the Current Plan Year.
- **Qualifying Lines Sold** shall mean any of the qualifying product lines from New Employer Groups and New Line of Coverage(s) with a coverage effective date in the Current Plan Year.

- **ASO** shall mean Account Services Only or Administrative Services Only. Fees for ASO employer groups, both new and in-force, will only be used to determine the New Business Bonus compensate rate and Persistency Rate. However, ASO dental groups (or New Line of Coverage(s)) will receive the applicable rate per contract, assuming a new business or Renewal Persistency Bonus level is met. There is no payment for ASO STD groups (or New Line of Coverage(s)).
- **Contract(s)** shall mean the number of employees that are associated with Our BlueCare Dental products.
- **PMPM** stands for per member, per month. It is a rate used to estimate annualized premium for BlueCare Dental products. It is used to determine both Prior Plan Year Renewal Premium and Estimated New Annualized Premium.
- An employer group with more than one line of coverage with Us counts as one case regardless of the number of lines of coverage or policies under which benefits are provided. Multiple divisions or subsidiaries or affiliates related to one policyholder count as one case.
- Cases that terminate due to policyholder bankruptcy, merger or acquisition may be excluded in the Persistency Rate calculation if such case information is provided by the broker in advance of the calculation.
- Only a contracted agent with Us is eligible for the bonus plan.
 - New business bonus credit will be given only to the original agent of record.
 - Persistency bonus credit will be given to the agent of record as of 12/31 of the Current Plan Year only.
 - 1/1 effective groups with a 12/31 termination date of the previous Plan Year, the group will be assigned only to the agent(s) of record as of that date.
- Compensation under the Bonus Program is not vested, and We reserve the exclusive right and discretion to interpret the program or to modify or withdraw it at any time.
- In the event We terminate a relationship/contract with any broker 'for cause' as determined at Our sole discretion, any rights to compensation under the Bonus Program shall cease with such termination and no compensation shall be payable under this program.
- Any compensation paid under the Bonus Program will be disclosed on a Schedule A of Form 5500, if required. The agent agrees to disclose to Employer Group clients all such payments made to the agent pursuant to this Bonus Program.
- If there are multiple brokers, producers or agents involved with a case, policy or business, the total amount We will pay under the Bonus Program regarding any case, policy or business will be the amount that would have been paid for such case, policy or business if the bonus had been payable to only one party.
- When compensation regarding any case, policy or business is to be split between more than one party, the premium associated with the group will be split in accordance with Our administration system; however, all parties will be granted full line count credit.
- We reserve the right in Our sole discretion, to determine how to allocate any bonus payable among those parties and Our decision in such matters shall be final.
- Brokers can qualify for this Bonus Program only if they are not already participating in another additional or supplemental compensation program with Us, with the exception of the Blue LeaderSM Program. All coverages not listed as an eligible line of coverage for this Bonus Program and written thru Us are still eligible for that program.
- The broker's state of residence, as listed on Our administrative system, will be the sole determination as to which Bonus Program is utilized. However, regardless of which plan is used, all qualified groups, regardless of their state location, will be used to determine a broker's eligibility and payout for the program.
- General agents and Third-Party Administrators (TPAs) are not eligible for this program.
- The terms "renewal" and "persistency" are synonymous.
- The terms "agent" and "broker" are synonymous.
- The terms "We" or "Us" or "Our" refers to Blue Cross and Blue Shield of Texas.
- The term "Bonus Program" refers to Our Ancillary Broker Bonus Program.
- Dental Network of American (DNOA) is the administrator of BlueCare dental products. Ancillary Broker Bonus proceeds related to dental products will be paid by DNOA.
- For brevity, both a New Employer Group or In-Force group may be referred to as a "group" or "case" throughout this document.
- Employer groups with a situs state of MI do not qualify for payment or toward any qualifications that must be met.

This piece is for illustrative purposes only. The insurance policies referenced may not be available in all states. All policies are subject to issue limitations, exclusions and other coverage conditions, which may include a waiting period for pre-existing conditions. Only the policy can provide the actual terms of coverage.

Life, Disability, Critical Illness, Accident, and Vision products are issued by Dearborn Life Insurance Company, 701 E. 22nd St. Suite 300, Lombard, IL 60148. Blue Cross and Blue Shield of Texas is the trade name of Dearborn Life Insurance Company, an independent licensee of the Blue Cross and Blue Shield Association. BLUE CROSS®, BLUE SHIELD® and the Cross and Shield Symbols are registered service marks of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans.

Medical, Pharmacy, and Dental products are offered by Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association.

